

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

SPONSOR HEC DATE TYPED 2/17/05 HB 260/HECS

SHORT TITLE Tribal Literacy Programs SB _____

ANALYST Chabot

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$500.0			General Fund	Recurring

(Parenthesis () Indicate Expenditure Decreases)

Relates to SB 481

SOURCES OF INFORMATION

LFC Files

Responses Received From

- Department of Finance and Administration (DFA)
- Department of Indian Affairs (DIA)
- General Services Department (GSD)
- Public Education Department (PED)

SUMMARY

Synopsis of Bill

House Bill 260 appropriates \$500 thousand from the general fund to PED for expenditure in FY06 for the purpose of establishing literacy programs on six tribal sites integrating in-school, after-school and school programs in grades kindergarten through eight. The bill requires contracting with a nonprofit sponsorship organization with more than fifty years experience working with Native American children and is already working in New Mexico on the integrated literacy program and is willing to match the appropriation with \$550 thousand.

Significant Issues

The DFA analysis is that the contract would go to Save the Children, a nonprofit sponsorship organization that meets the specifications in the bill. The organization is willing to provide the match specified. Save the Children has been providing literacy programs to underserved chil-

dren in rural American since 1932. Presently this organization is providing after school, in school and summer school literacy support programs at eleven tribal sites in the state.

DIA states children lacking preparation in basic literacy skills will be ill-prepared for secondary and post-secondary levels. Literacy programs that are tailored to the educational needs of Native American children may help to fill the gap in literacy development and increase educational performance of Native American students. Save the Children plans to serve six sites in 2006. Each program is estimated at \$183.2 thousand.

PERFORMANCE IMPLICATIONS

Improved performance in schools relates to PED performance measures on mathematics and reading and language arts proficiency. PED should specify performance specifications in the contract.

FISCAL IMPLICATIONS

The appropriation of \$500 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2006 shall revert to the general fund.

The LFC FY06 appropriation recommendation is balanced between revenues and expenditures and any increase in recurring funding must be offset by reductions in other areas of the recommendation. The Legislature must consider all priorities and funding requirements to find revenue to support this legislation.

ADMINISTRATIVE IMPLICATIONS

PED would have to request permission to administer the contract on a sole source basis.

POSSIBLE QUESTIONS

1. What specific services are envisioned by this bill?
2. Have all competent bidders for this contract been considered?

GAC/njw:yr